

RICHARD, H. BRYAN  
Governor

STATE OF NEVADA

DAVID A. GATES  
Commissioner of Insurance

LARRY D. STRUVE  
Director



**DEPARTMENT OF COMMERCE**

INSURANCE DIVISION

201 South Fall Street

Carson City, Nevada 89710

(702) 885-4270

BULLETIN NO. 88-005

NOVEMBER 7, 1988

**REPORTING REQUIREMENTS OF INSURERS WRITING CREDIT INSURANCE  
IN NEVADA AND NOTICE OF PROHIBITION AGAINST CERTAIN  
REINSURANCE TRANSACTIONS**

In 1987, the Nevada Legislature enacted Senate Bill 371. This legislation requires certain statistical data, audits and reviews to be prepared by credit insurers. Pursuant to NRS 690A.150, each insurer who writes credit insurance in Nevada is required to prepare statistics for each calendar year for individual policies and each policy year for group policies for each creditor on whose debtors term credit insurance is provided. The statistics must reflect separately for each type of credit insurance issued, and for direct insurance reinsurance assumed, all as enumerated and described in NRS 690A.150. The insurer is required to report these statistics to each creditor.

In addition, NRS 690A.170 requires each insurer who writes credit insurance in Nevada to conduct an annual audit and annual review as described in the statute. Pursuant to NRS 690A.170, the initial audit and review must be done by January 1, 1989 and every twenty-four months thereafter.

It has come to the attention of the insurance division that some credit insurers are participating in a credit insurance program in Nevada by which business produced by a participating agency, (an auto dealer), is ceded to an Arizona Reinsurer for the purpose of generating additional income for that agency. Nevada has had a cap on compensation to producing agencies since the early seventies and has recently refined that prohibition specifically as it related to reinsurance transactions.

**ORDER**

Each insurer who writes credit insurance in this state is  
HEREBY ORDERED:

(1) To submit to the insurance division by December 20, 1988, to the attention of David J. Carbon, a copy of

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the report compiled pursuant to NRS 690A.150 and a statement verifying that the report has been sent to its creditors and;

(2) To submit to the insurance division by January 15, 1989, to the attention of David J. Carbon, the report of the annual audit and reviews as required to be kept pursuant to NRS 690A.170 and;

(3) To submit to the Insurance Division by January 15, every twenty-four months thereafter subsequent reports kept pursuant to NRS 690A.170.

In preparation of the reports your attention is directed to a careful review of the cited Nevada Revised Statutes. Failure to comply with the Order of the Commissioner may subject the credit insurer to sanctions and administrative fines.

  
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DAVID A. GATES  
Commissioner of Insurance

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